

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GREEN RIVER)	
ELECTRIC CORPORATION FOR AN)	
AMENDMENT TO PRIOR ORDERS OF THE)	CASE NO. 91-259
COMMISSION AUTHORIZING ISSUANCE)	
OF EVIDENCE OF INDEBTEDNESS)	

O R D E R

On July 26, 1991, Green River Electric Corporation ("Green River") filed its motion seeking authorization to amend loan agreements between Green River and the National Bank for Cooperatives ("CoBank"),¹ Green River's source of supplemental long-term financing, to permit Green River to participate in new loan pricing policies adopted by CoBank. The proposed amendment to the CoBank loan agreements, which was attached as Exhibit 3 to Green River's motion, incorporates into the loan agreements the pricing policies which have previously existed under the CoBank Interest Rate Plan. In addition, changes are made in the loan agreements necessary for CoBank to price loans on a national basis, rather than a regional basis. These changes result from CoBank's efforts to streamline its operations and consolidate management functions, which should reduce CoBank's costs and be of benefit to its borrowers.

¹ Formerly the Louisville Bank for Cooperatives.

The Commission, after review of the evidence of record and being advised, finds that:

1. The borrowings evidenced by the loan agreements Green River seeks to amend have previously been approved by the Commission in the Orders referenced in Exhibit 1 to Green River's motion. The relief requested by Green River in this proceeding does not change the amount of those borrowings.

2. The proposed amendments to the CoBank loan agreements reflect changes in CoBank's pricing methodology and the due date of debt service payments. Green River has stated that these are the only changes resulting from the proposed amendments.

3. The proposed amendments to the CoBank loan agreements are for lawful objects within the corporate purposes of Green River, are necessary and appropriate for and consistent with the proper performance by Green River of its service to the public, and will not impair Green River's ability to perform that service.

IT IS THEREFORE ORDERED that:

1. Green River be and it is hereby authorized to execute the proposed amendments to its loan agreements with CoBank.


2. The record of the prior proceedings approving the loan agreements, as listed in Exhibit 1 to Green River's motion, are incorporated into this case by reference only.

3. For the purposes of this case the data filed by Green River with its motion is adequate to satisfy the data requirements of 807 KAR 5:001, Section 10.

Nothing herein contained shall be deemed a warranty or a finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 24th day of September, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director